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FM SECSTATE WASHDC
TO AIT TAIPEI PRIORITY 3122
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

S E C R E T STATE 109927

SIPDIS

E.O. 12958: DECL: 10/14/2033
TAGS: PARM MTCRE PREL TW IR TU

SUBJECT: EFFORTS BY IRAN TO ACQUIRE TAIWAN-ORIGIN MACHINE TOOLS THROUGH TURKISH INTERMEDIARIES

REF: A. 06 STATE 079175
1B. 07 STATE 110325
1C. 07 STATE 116891
1D. 07 STATE 149633

Classified By: ISN/MTR DIRECTOR PAM DURHAM
REASONS 1.4 (B), (C) AND (D).

11. This is an action request. AIT Taipei, please see paragraph 4.

12. (S) Background: The U.S. has information that in June 2008, Iran's Machine Sazi Tabriz was seeking to procure Taiwan-origin machine tools through two Turkish companies. We have previously discussed with Taiwan our concerns regarding exports of Taiwan-origin machinery to Machine Sazi Tabriz, which has been associated with proliferation-related procurement in Iran (Reftels). Machine Sazi Tabriz appears to be working with these two Turkish companies to procure machine tools it is unable to acquire directly from Taiwan due to its export control restrictions. We therefore want to ask Taiwan authorities to investigate this activity and determine whether any licenses were submitted for these machines to be exported to Iran. We also urge them to use all available measures to prevent Iran from acquiring unauthorized exports from Taiwan via third country intermediaries.

13. (S) Action Request: Request AIT Taipei approach appropriate Taiwan authorities to deliver talking points/non-paper in paragraph 4 below and report response. Talking points also may be provided as a non-paper.

14. (S) Begin talking points/non-paper:

(SECRET REL TAIWAN)

-- In the spirit of our close cooperation on export control issues, we would like to alert you to information involving efforts by an entity in Iran to procure Taiwan-origin machinery, and request your assistance in investigating this activity.

-- Specifically, we understand that in June 2008, Iran's Machine Sazi Tabriz was seeking to procure a model VF-3000 double column bridge mill produced by the Taiwan-based company Vision Wide Tech Co. and a model KAN-50 computer numerically controlled (CNC) flat-bed lathe manufactured by Taiwan's Proking Machinery.

-- Machine Sazi Tabriz is seeking these machines through two Turkish companies, Ak Makina Sanayi ve Ticaret Limited Sirketi and Ak Makina Uluslar Arasi Tic. Ltd.

-- We believe Machine Sazi Tabriz may be working with these two Turkish companies to procure machine tools it is unable to acquire directly from Taiwan due to export control restrictions regarding Iran.

-- Machine Sazi Tabriz has been associated with proliferation-related procurement in Iran and it maintains a strong working relationship with Iran's Defense Industries Organization (DIO), an entity designated by the United

Nations Security Council Resolution 1737.

-- You will recall that we have previously raised with you our concerns regarding exports of Taiwan-origin machinery to Machine Sazi Tabriz and also have recommended denial of several export applications pursuant to the Gameplan that listed Machine Sazi Tabriz as the end-user.

-- We therefore urge you to investigate this activity and determine whether any licenses were submitted for these machines to be exported to Iran. We also ask that you use all available measures to prevent Iran from acquiring unauthorized exports from Taiwan via third country intermediaries.

-- We look forward to continued cooperation on nonproliferation issues.

End talking points/non-paper

¶5. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug any reporting on this issue for ISN/MTR.

¶6. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
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End Cable Text